OREGON MANUFACTURING EXTENSION PARTNERSHIP



\$66 million in new and retained sales \$23 million in new investments 1,112 jobs created or retained

Oregon MEP (OMEP)'s vision is to be the principal source of high performance business and technical assistance for Oregon's small to mid-sized manufacturers and the partner of choice for the economic development community. Their emphasis on transforming companies goes beyond the factory floor to create a ripple effect of positive sustainable impact on the business, the workforce, and the community.

OMEP consultants provide Lean Enterprise training and implementation assistance to a wide variety of industry sectors. They collaborate with the national network of Manufacturing Extension Partnership resource centers in over 400 locations nationwide, providing integrated and standardized services so manufacturers can benefit from industry driven best processes and practices.

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^{*} Impacts are based on clients receiving service in FY2009

CLIENT SUCCESS: SAM MEDICAL PRODUCTS

"OMEP has been a critical and valuable resource for SAM Medical and we look forward to a continued relationship in the future.""

Adrian Polliack, Chief Operating Officer SAM Medical Products

SAM Medical Products Retains Local Jobs with Help from Oregon MEP

SAM Medical Products, located in Portland, Oregon, develops, manufactures and markets orthopedic splints, and wound care devices designed for use in the field by the military, Emergency Medical Services, outdoor enthusiasts, and even NASA in space exploration. Founded in 1985 by Dr. Sam Scheinberg, SAM has expanded its product line to include blister prevention and treatment line, and a new hemostat agent for severe and life-threatening bleeding. SAM employs 35 people at its facility in Newport, Oregon.

Situation:

SAM Medical faced domestic and offshore competition. The company was doing well but the owners knew they could improve competitiveness while simultaneously retaining manufacturing jobs in Lincoln County. SAM was exposed to Lean by a university MBA project team and knew that this was the exact philosophy for their needs. The Oregon Manufacturing Extension Partnership (OMEP), a NIST MEP network affiliate, was brought into the picture through an introduction by Paddy Fleming of MilTech, a Department of Defense sponsored organization charged with ensuring the sustainability of small to mid-sized military contractors. SAM and OMEP quickly determined the project scope to include projects in the manufacturing facility as well as the office. SAM needed strategic planning and marketing assistance.

Solution:

The two-part approach selected to assist SAM centered on Lean and Strategic Planning. OMEP provided training to employees in Principles of Lean, Value Stream Mapping (VSM), 5S (Sort, Set in Order, Shine, Standardize, Sustain), and Total Productive Maintenance. Through the training and VSM efforts, a number of opportunities were identified to streamline production, reduce costs, lead-times, and improve quality. Specific improvements involved the introduction of continuous flow processing, better workplace organization through a comprehensive 5S program and improved product yield through standard work and better quality control processes. The most significant improvement came in the form of improved equipment reliability through a diligent Total Productive Maintenance (TPM) effort. After the TPM event was completed, the subject machine set several new daily production records.

OMEP also worked with SAM's sales team to streamline the order entry process. Beginning with training in Principles of Lean and Administrative VSM, they identified a number of areas for improvement by simply ensuring better quality-at-the-source for upstream processing steps. Additionally, less time was spent searching for information by better organizing the office environment. OMEP also worked with SAM to craft a strategic plan and better marketing effort. OMEP contracted with Peter Arezzini of Arezzini Associates to provide these services who was able to focus SAM on several key markets and provide a more consistent marketing message. With OMEP's assistance, SAM has experienced a reduction in manufacturing costs along with increased productivity, quality and reduced lead times.

Results:

- * Increased productivity by 100 percent.
- * Reduced lead time by 33 percent.
- * Reduced inventory by 25 percent.

Increased sales by 25%

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